

CIA INTERNAL USE ONLY**Chief, Claims Section, Insurance Branch**

4/14/67

Acting Deputy Chief, Insurance Branch**Handling of Hospital Outpatient Charges**

1. After the discussion which you, [redacted] and I had on April 13, 1967 regarding billings of hospitals for outpatient services, I discussed the matter with Mr. Premo. He confirmed that the decision which we reached on this matter yesterday is correct. That is, where a hospital's billing for outpatient charges identifies a charge as being for professional services, that particular charge is not payable under the \$202.50 provision of the basic plan. (See 2nd and 3rd paragraphs of Part A, page 9 of Contract 1799.) It must be treated as major medical, or, if appropriate, surgical.

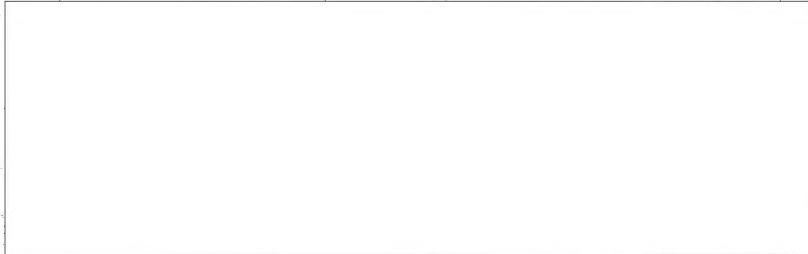
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2. In the future, if hospital outpatient billings indicate a charge under such terminology as "physician service," "professional fee," "professional service," etc., these charges are to be treated as charges of a doctor. We know that in some instances, no such separate charge is made. That is, the charge is billed only as "emergency room." In such a case, it is not necessary to query the hospital for a further breakdown but rather, the expenses should be paid under the hospital outpatient provision. This procedure is consistent with the manner in which such claims are treated in Mr. Premo's office.

3. Please inform all claims adjudicators of this matter so that we all handle such bills in the same manner.



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